

REMARKS

A. INTRODUCTION

Claims 45-67 are pending and rejected.

Claims 1-44 were previously cancelled.

Claims 45, 48, 49, 52, 66, and 67 are the only independent claims.

Based on a Telephone Interview, Applicants understand that the Section 103(a) rejections and the obviousness-type double patenting rejections will be withdrawn.

B. TELEPHONE INTERVIEW

Applicants are grateful for the opportunity to discuss this Application by telephone with Examiner Frank Leiva and SPE Robert Pezzuto on June 4, 2007.

During the Telephone Interview, the following agreement was reached:

1. The current rejection of Claims 45-67 under Section 103(a) has been vacated and will be withdrawn.

2. The current rejection of Claims 45-48 for obviousness-type double patenting in light of specified claims of U.S. Patent No. 6,688,976 was already rendered moot by a terminal disclaimer submitted in March 2006.

SPE Pezzuto suggested that a further prior art search would be performed.

Although no formal agreement was reached with respect to the Section 101 rejections, Applicants are grateful for the opportunity to discuss the claimed subject matter.

C. SECTION 103(A) REJECTIONS—WITHDRAWN

Claims 45-67 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Scanlon (U.S. Patent No. 4,922,522), and further in view of Our Opinion (“Our Opinion State scamming lottery buyers”, York Daily Record, April 9, 1998).

During the Telephone Interview the Examiners indicated that the Section 103(a) rejection based on Scanlon and Our Opinion has been vacated and will be withdrawn.

Applicants are grateful for the reconsideration and withdrawal of the Section 103(a) rejection.

D. NON-STATUTORY DOUBLE PATENTING—MOOT

Claims 45-48 stand “rejected under the judicially created doctrine of obviousness-type double patenting” as being unpatentable over specified claims of U.S. Patent No. 6,688,976.

As agreed during the Telephone Interview, this rejection is moot. On March 6, 2006, Applicants filed a terminal disclaimer referencing U.S. Patent No. 6,688,976, which rendered this rejection moot. According to IFW, the Terminal Disclaimer has been approved. See entry for March 27, 2006. Accordingly, the non-statutory double patenting rejection of Claims 45-48 is moot.

As the issue is rendered moot, nothing in these remarks necessarily indicates agreement or disagreement with any of the assessments of the cited patent or the rejected claims, or the Examiner’s statements as to the obviousness of the rejected claims.

E. SECTION 101 REJECTION

Claims 45-64, 66, and 67 stand rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. We respectfully traverse the Examiner’s Section 101 rejection.

We respectfully do not agree with the Examiner’s rejections of Claims 45-64, 66, and 67 for an alleged failure to output any information, such as a price, to any particular entity.

There is nothing in Section 101 precedent that requires that a piece of determined information must be physically output (or output in any particular manner) in order for a claim to be statutory subject matter.

See, e.g., Decision on Appeal No. 2006-2040, pages 2-11 (BPAI, February 22, 2007) (analyzing State St. Bank and AT&T, finding that determined prices are “useful, concrete and tangible” results because they can be relied upon by a customer and a retailer as the final purchase total for products in a transaction, and noting with respect to the Examiner’s requirement of output to have a “tangible effect on the world”: “We do not find such a requirement for physical output in the precedent interpreting § 101.”) (not for publication and not binding precedent of the Board) (emphasis added).

As the rejection under Section 101 applies a standard that departs from the requisite legal analysis, the rejection is flawed.

Contrary to the Examiner’s analysis and discussion of State St. Bank, in State St. Bank the Federal Circuit found a useful, concrete, and tangible result in the mere determining of “a final share price momentarily fixed for recording and

reporting purposes and even accepted and relied upon by regulatory authorities and in subsequent trades,” even though Claim 1 at issue, for example, did not recite any of those potential uses of any “final share price,” nor did it require any “output” of the price to any particular entity, as the Examiner is requiring now. The claim at issue in State St. Bank provided for “processing” and “allocating” data:

1. A data processing system for managing a financial services configuration of a portfolio established as a partnership, each partner being one of a plurality of funds, comprising:

(a) computer processor means [a personal computer including a CPU] for processing data;

(b) storage means [a data disk] for storing data on a storage medium;

(c) first means [an arithmetic logic circuit configured to prepare the data disk to magnetically store selected data] for initializing the storage medium;

(d) second means [an arithmetic logic circuit configured to retrieve information from a specific file, calculate incremental increases or decreases based on specific input, allocate the results on a percentage basis, and store the output in a separate file] for processing data regarding assets in the portfolio and each of the funds from a previous day and data regarding increases or decreases in each of the funds, [sic, funds'] assets and for allocating the percentage share that each fund holds in the portfolio;

(e) third means [an arithmetic logic circuit configured to retrieve information from a specific file, calculate incremental increases and decreases based on specific input, allocate the results on a percentage basis and store the output in a separate file] for processing data regarding daily incremental income, expenses, and net realized gain or loss for the portfolio and for allocating such data among each fund;

(f) fourth means [an arithmetic logic circuit configured to retrieve information from a specific file, calculate incremental increases and decreases based on specific input, allocate the results on a percentage basis and store the output in a separate file] for processing data regarding daily net unrealized gain or loss for the portfolio and for allocating such data among each fund; and

(g) fifth means [an arithmetic logic circuit configured to retrieve

information from specific files, calculate that information on an aggregate basis and store the output in a separate file] for processing data regarding aggregate year-end income, expenses, and capital gain or loss for the portfolio and each of the funds.

149 F.3d 1368, 1371, 1373 (Fed. Cir. 1998). The Federal Circuit recognized that Claim 1 is a “machine,” and further clarified that this is only a threshold issue: a claim must be directed to one of the four categories of subject matter contemplated under Section 101. The court continued:

The question of whether a claim encompasses statutory subject matter should not focus on which of the four categories of subject matter a claim is directed to—process, machine, manufacture, or composition of matter—but rather on the essential characteristics of the subject matter, in particular, its practical utility. ... For purpose of our analysis, as noted above, claim 1 is directed to a machine programmed with the Hub and Spoke software and admittedly produces a “useful, concrete, and tangible result.” Alappat, 33 F.3d at 1544, 31 U.S.P.Q.2D (BNA) at 1557. This renders it statutory subject matter....

149 F.3d at 1375.

The Examiner’s standard for “useful, concrete, and tangible result” is also contrary to AT&T v. Excel:

Whatever may be left of the earlier test, if anything, this type of physical limitations analysis seems of little value because “after Diehr and Alappat, the mere fact that a claimed invention involves inputting numbers, calculating numbers, outputting numbers, and storing [**23] numbers, in and of itself, would not render it nonstatutory subject matter, unless, of course, its operation does not produce a ‘useful, concrete and tangible result.’” Id. at 1374, 47 U.S.P.Q.2D (BNA) at 1602 (quoting Alappat, 33 F.3d at 1544, 31 U.S.P.Q.2D (BNA) at 1557).

172 F.3d 1352, 1359 (Fed. Cir. 1999). The Court found:

The PIC indicator represents information about the call recipient's PIC, a useful, non-abstract result that facilitates differential billing of long-distance calls made by an IXC's subscriber. Because the claimed process applies the Boolean principle to produce a useful, concrete, tangible result without pre-empting other uses of the mathematical principle, on its face the claimed process comfortably falls within the scope of § 101.

172 F.3d at 1358 (emphasis added). Thus, again, the Federal Circuit found that a mere determined value may be a useful, concrete, and tangible result based on

what it represents, and not based on any explicit subsequent use or output of that value.

In other words, under the proper standard for statutory subject matter under § 101, contrary to the Examiner's assertion, all that is required is that a claim meet one of the four categories of subject matter and produce a useful, concrete, and tangible result.

The Examiner asserts that the claims do not have a "real world" value. We request that the Examiner clarify how a request to purchase a lottery ticket does not have "real world" value or is a manipulation of an abstract idea. We request that the Examiner clarify how determining the price for a requested lottery ticket, set of symbols, or lottery combination for a drawing does not have "real world" value or is a manipulation of an abstract idea. We request that the Examiner clarify how preventing a set of symbols or numbers from being associated with a lottery ticket or entry does not have "real world" value or is a manipulation of an abstract idea (see Claim 67, for example). We request that the Examiner clarify how storing an indication of a price of a lottery ticket does not have "real world" value or is a manipulation of an abstract idea (see Claim 66, for example). These are all discrete (i.e. not abstract) results of various claimed embodiments, that like the data processed in State St. Bank, constitute practical applications.

Contrary to the Examiner's assertion (which is based on a standard for useful, concrete and tangible result that contradicts the authority the Examiner relies upon) all independent claims (and thus all pending claims) produce a useful, concrete and tangible result.

We respectfully request reconsideration of the Section 101 rejections of Claims 45-64, 66, and 67.

F. OFFICE ACTIONS IN RELATED CASES

Applicants would like to inform the Examiner of the following papers issued by the PTO in U.S. Patent Application No. 09/608245, the parent of this Application:

1. Non-Final Office Action mailed June 11, 2002;
2. Non-Final Office Action mailed January 27, 2003; and
3. Notice of Allowance mailed July 30, 2003.

The listed Office Actions may contain information the Examiner would consider relevant to the patentability of one or more claims of the present Application.

G. ADDITIONAL COMMENTS

Our silence with respect to the Examiner's other various assertions not explicitly addressed in this paper, including assertions of what the cited reference(s) teach or suggest, the Examiner's interpretation of claimed subject matter, or the propriety of any asserted combination(s) of teachings, is not to be understood as agreement with the Examiner. As the Examiner has not established an un rebuttable prima facie case of obviousness for any of the pending claims, for at least the reasons stated in this paper, we need not address all of the Examiner's assertions at this time. Also, the absence of arguments for patentability other than those presented in this paper should not be construed as either a disclaimer of such arguments or as an indication that such arguments are not believed to be meritorious.

H. PETITION FOR EXTENSION OF TIME TO RESPOND & AUTHORIZATION TO CHARGE APPROPRIATE FEES

We do not believe that any additional fees are due with this Response.

Please grant a petition for any extension of time required to make this Response timely.

Deposit Account: 50-0271

Order No.: 00-019-C1

Please also charge any appropriate fees set forth in 37 C.F.R. §§ 1.16 – 1.18 for this paper and for any accompanying papers to Deposit Account 50-0271. Please credit any overpayment to the same account.

I. CONCLUSION

It is submitted that all of the claims are in condition for allowance. The Examiner's reconsideration is respectfully requested.

If the Examiner has any questions regarding this paper or the present application, the Examiner is cordially requested to contact Michael Downs at telephone number (203) 461-7292 or via electronic mail at mdowns@walkerdigital.com.

Respectfully submitted,

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Date

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